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BI Daily

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GLOBAL TRENDS

Deputy President calls on the UK to raise tariff-free quota on wine, sugar from SA

Deputy President Paul Mashatile has called on the United Kingdom government to raise the tariff-free quota (TFQ) on wine and sugar coming from South Africa. The Southern African Customs Union (SACU) and the Mozambique Economic Partnership Agreement (EPA) include provisions for a 70/30 split between bottled and bulk wine throughout the trade relationship.

"As the South African government, we urge flexibility for a 50/50 split. In our view, this does not necessitate an amendment of the EPA but can be a decision of the SACUM-UK Joint Council.

"South Africa has requested that the United Kingdom raise the TRQ amounts allowed under the Environmental Protection Agency Framework for South African sugar to 171 thousand tonnes and for wine to 150 million litres," he said on Monday. The TFQ for imports of South African wine into the United Kingdom is currently sitting at 71.5 million litres per annum, which applies to 30% bulk and 70% packaged wine.

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Wine trade braces for impact as Budget looms

Currently, excise Duty on all wines between 11.5% abv and 14.5% ABV is the same amount and calculated according to a simple easement, introduced as part of the Conservative government's new duty system last year.

As of 1 February 2025, this easement is set to be removed, as per the Conservative government's plans. It means that the single amount of duty paid on wines between 11.5-14.5% ABV – £2.67 – will be replaced with up to 30 different payable amounts according to the strength of the wine. For a bottle of wine at 14.5% ABV this will see wine duty increase from £2.67 per bottle to £3.09. Alongside

inflation, that change saw duty paid on a bottle of still wine pushed up by 20%, or £0.44, based on an average alcohol strength of 12.5% ABV. Duty on a bottle of 12% ABV sparkling wine fell by £0.19 under the new regime.

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Minimum price of alcohol in Scotland rises by 30%

The minimum price at which alcohol can be sold in Scotland has risen by 30% in an attempt to keep up with inflation over the past six years.

The minimum unit price (MUP) has not changed since it was set at 50p per unit of alcohol when it was first introduced in May 2018. It has now increased to 65p per unit, meaning a typical 12.5% bottle of wine cannot be sold for less than £6.09 and a can of lager will be at least £1.30. MUP is not a tax to generate income for the government. Instead it aims to reduce the availability of cheap alcohol in shops by setting a minimum price.

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The Grapes of Math: How the Wine Industry Can Survive Financial Uncertainty

The wine industry is experiencing a complicated period of decline. Shifting consumer preferences and mounting financial pressures have left many wineries around the world in the lurch. For the wine industry to survive its current turmoil, it must implement savvier financial strategies and prepare to make difficult decisions.

For many wine producers and sellers, the current market has been a big batch of sour grapes. Consumers, especially younger ones, are less and less likely to be reaching for a Riesling this summer. Meanwhile, shifts in climate have made harvests less predictable and more prone to natural disasters. Going into this year's harvest, wineries are facing both decreasing demand and, potentially, increasing supply. If wine businesses are going to survive this period, they need to make some changes to adapt to the current market.

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MAJOR WINE PRODUCING COUNTRIES

France cuts wine output estimate after soggy weather

France cut its projection for this year's wine crop on Tuesday following the rainiest September in 25 years, with 2024 now forecast to be among the worst recent vintages in such prized winemaking regions as Champagne, Burgundy and Beaujolais. The forecast of 37.5 million hectolitres is now in line with the poor 2021 vintage marked by frost damage. It is 22% below last year's crop and 15% below the five year average, the farm ministry said.

It was revised down from an already weak forecast of 39.3 million released the previous month, which had taken account of poor weather earlier this year. A hectolitre, or 100 litres, is equivalent to 133 standard wine bottles.

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Our mailing address is:
South Africa Wine
Picardi Farm, 100 Cecilia Street
Suider-Paarl, 7646

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